



April 26, 2013

To: Executive Board
Subject: **2013 Legislative Summary**

Recommendation

Receive and file the April 2013 Legislative Summary. Reaffirm a support position on AB 574.

Analysis

A summary of state and federal legislation and its status is attached. Board members should note that staff recommends **reaffirming a support position for AB 574 (Lowenthal)**. The California Transit Association (CTA) made an urgent request of its membership to send letters of support on AB 574 to the Assembly Transportation Committee where the bill was to be heard on Monday, April 22. In order to assist the CTA, a Foothill Transit support letter was sent to the Committee on April 18, before the Executive Board took a formal position on the bill.

AB 574 establishes a program to fund sustainable communities strategies (developed pursuant to SB 375) as well as equivalent greenhouse gas (GHG) reducing strategies in rural areas, using cap and trade auction proceeds. The bill provides a statutory framework for implementing the sustainable communities allocations from cap and trade revenues, including key elements such as a per capita distribution of funds to California's regions, a competitive grant program guided by state policy objectives aligning with regional GHG reduction, and a performance-based approach to maximize investments. Additionally, the bill specifically includes funding for transit operations, maintenance and infrastructure among the eligible investments for the funds. This bill would provide a mechanism for which the transit industry and Foothill Transit would receive its fair share of the cap and trade auction proceeds.

A summary of state and federal legislation and its status is attached. CTA staff met with staff of the California Air Resources Board (CARB) to discuss an ongoing issue regarding compliance with CARB's recently amended On Board Diagnostics (OBD) regulation for heavy duty vehicles. The CTA is working with its membership and CARB to find a resolution to the matter, which, if not resolved, will impact the availability of hybrid buses in California starting next year.

Governor Jerry Brown has been in China the past week looking for investors in and promoting California's High Speed Rail project. China has thousands of miles of some of the most successful and state of the art high speed rail systems in the world. The Governor believes China would therefore be more receptive to investing in a similar



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type of transportation system in the United States, most specifically in California. The Governor also visited the headquarters of an electric car and bus manufacturer. The firm Build Your Dreams (BYD) announced they will open a bus manufacturing factory in Lancaster, California, the first Chinese-owned vehicle plant on American soil.

In Washington, D.C., the Fiscal Year 2014 Budget released on April 10 by President Obama fully funds the authorized funding levels provided in MAP-21 and reserves funding after that legislation expires on Sept. 30, 2014, for a long-term reauthorization of surface transportation programs, including a 25 percent increase from current levels. American Public Transportation Association (APTA) leaders called these proposals commendable for their “continued support for public transportation investment.” The budget also proposes an additional \$9 billion for critical transit infrastructure improvements, including \$6 billion for Transit State of Good Repair, \$500 million for New Start core capacity projects, and \$2.5 billion for Urban and Rural Transit programs. This is in addition to a continued commitment to high-speed and intercity passenger rail, and a focus on livable communities.

Financial Impact

The impact of the President’s Budget cannot be determined at this time because the White House and Congress will need to negotiate a final budget from the three plans submitted (Administration, Senate and House versions). AB 574 would provide Foothill Transit with funding for operating, maintenance and infrastructure needs.

Sincerely,

David Reyno
Director of Government Relations

Doran J. Barnes
Executive Director

2013 Legislation Summary

Current as of 4/18/2013

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 8	Perea/Skinner	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	Assembly Committee on Natural Resources	CTA - Support	Support Position Adopted 2/22/2013
AB 574	Lowenthal	AB 574 establishes a program to fund sustainable communities strategies (developed pursuant to SB 375) as well as equivalent greenhouse gas (GHG) reducing strategies in rural areas, using cap and trade auction proceeds. The bill provides a statutory framework for implementing the sustainable communities allocations from cap and trade revenues, including key elements such as a per capita distribution of funds to California's regions, a competitive grant program guided by state policy objectives aligning with regional GHG reduction, and a performance-based approach to maximize investments. Additionally, the bill specifically includes funding for transit operations, maintenance, and infrastructure among the eligible investments for the funds.	This bill would provide a mechanism for which the transit industry and Foothill Transit would receive its fair share of the cap and trade auction proceeds.	Assembly Committee on Transportation	CTA - Support	Support
AB 1257	Bocanegra	AB1257 will establish the State Energy Resources Conservation and Development Commission (Energy Commission) to thoughtfully evaluate and recommend the right natural gas strategies to further reduce greenhouse gas emissions and cultivate a robust clean energy economy. A declaration would be made with the passage of this legislation that there will be a state policy to reduce greenhouse gas emissions and that an efficient and effective strategy for the use of natural gas has potential for helping to meet these objectives. The Committee will develop strategies to maximize the benefits obtained from natural gas as an energy source. The Energy Commission will review many uses for natural gas, specifically the Commission will identify methods to increase the development of natural gas refueling infrastructure for transportation and protect against system capacity constraints.	The bill's passage will create an Energy Commission that will increase government participation in the creation and maintenance of a natural gas policy for the state.	Assembly Committee on Natural Resources		Support Position Adopted 3/29/2013
SB 11	Pavley/Rubio	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to	Senate Committee on Transportation & Housing	CTA - Support	Support Position Adopted 2/22/2013

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Current as of 4/18/2013

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
		Technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs, including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	maintain them.			
SCA 4	Liu	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Governance & Finance	CTA - Support	Support Position Adopted 2/22/2013
SCA 8	Corbett	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Governance & Finance	CTA - Support	Support Position Adopted 2/22/2013